DANIEL K. INOUYE
INSTITUTE

April 13, 2016

Mr. Lance Mizumoto
Chairman
Board of Education
Honolulu, Hawaii

Dear Chairman Mizumoto and Members of the Board of Education:

On behalf of the Daniel K. Inouye Institute, I am pleased to convey our support for the renaming of Hale Kula Elementary School to the Daniel K. Inouye Elementary School. The family and the Institute would be honored with such an action taken by the Hawaii Department of Education.

There are numerous reasons why the selection of this school would be most fitting. As a proud graduate of Hawaii's public school system, Dan Inouye was a staunch advocate in Washington over the years, working to ensure that Hawaii got its fair share of federal resources.

Second, the school sits at Schofield Barracks which was the home of the 442nd Regimental Combat Team for which Senator Inouye volunteered during World War II. It was an all Japanese American army unit established by Executive Order. Senator was a proud army infantry solider, and would enjoy returning to Schofield during his years as a United States Senator to watch the training exercises, exchange war stories with the soldiers, and remain connected with the Army leadership.

Third, Senator Inouye established the Joint Venture on Education Forum to provide a place for military and civilian leadership to gather to discuss issues around the education of military children in Hawaii. He saw it as a readiness issue -- as soldiers deploy to faraway and dangerous places, they needed to be reassured that their children were being well educated in safe and functional settings. He also believed most passionately that the education of military children needed to be integrated within the greater Hawaii community, and not segregated and isolated on base via the Department of Defense Education Agency (DODEA). We are one community, one ohana. There are those who have said that the JVEF experience helped shape the rationale for the establishment of DODEA's Partnership Grant program from which Hawaii has received $9 million over the past four years.

Fourth, as Chair of the Senate Defense Appropriations Subcommittee, Senator Inouye helped to establish a funding line within the Department of Defense budget to support construction repairs to schools which predominantly served military children, and in particular, those on a military installation that were in need of serious repair. It was established as a 80-20 match program, with defense funding 80% and state/local funding the remaining 20%. It would be most fitting that the first school in Hawaii to have benefited from this funding source, would carry the Senator's name.

The renaming of Hale Kula to the Daniel K. Inouye Elementary School would be an excellent tribute to his proud service in the U.S. Army, as well as his commitment to an excellent and equitable school system for civilian and military students. I would like to think that he would be most pleased with this honor.

Thank you for your consideration.

Aloha,

JENNIFER SABAS
Director

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April 18, 2016

TO: Lance A. Mizumoto, Board of Education Chair
Members of the Board of Education

FROM: Catherine Payne, Public Charter School Commission Chair

SUBJECT: Testimony on Agenda Item IV E: Investigative Committee Report

Thank you for considering my written testimony. My work responsibilities will keep me from testifying in person.

I appreciate your effort in developing a process to review the Commission. I believe that it will be important going forward that there be clarity on both sides when you conduct your investigations and reviews. I would like to respectfully ask that you delay approval of the process until the full Commission has an opportunity to review and provide testimony. Because of the timing of your posting and our meetings, this has not been possible. We are in consultation with the National Association of Charter School Authorizers (NACSA) and have requested their feedback on the process, too.

With respect to your "Findings", I will again point out that there was no communication with any of the current Commission staff, despite their request to meet. In addition, we have heard from school leaders who would also like to speak with the investigative committee, and we were hoping you would invite them to do so. I am concerned that you stated you have no interest in determining whether complaints are "well founded." That does not seem, to me, to be an appropriate investigative approach.

I am hopeful that we will be able to better understand one another as we move forward with a process for improved communication with you.

HAWAII STATE TEACHERS ASSOCIATION
Teaching Today for Hawaii's Tomorrow

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Corey Rosenlee
President

Justin Hughey
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Amy Perruso
Secretary-Treasurer

Wilbert Holck
Executive Director

TESTIMONY BEFORE THE BOARD OF EDUCATION

RE: ADOPTION OF THE KALIHI TO ALA MOANA SCHOOL IMPACT FEE DISTRCT (FINANCE COMMITTEE ACTION ITEM V; GENERAL BUSINESS MEETING ACTION ITEM VII).

TUESDAY, APRIL 19, 2016

COREY ROSENLEE, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Mizumoto and Members of the Committee:

The Hawaii State Teachers Association **strongly supports** the adoption of the Kalihi to Ala Moana school impact fee district.

School impact fees are a method of financing new or expanding existing Department of Education facilities, in partnership with developers of new residential areas. Residential developments create demand for public school facilities. In turn, pursuant to HRS §302A-1601, once school impact districts are identified, new residential developments are required to contribute toward the construction of new or expansion of existing public schools that serve their communities. Costs borne by developers and property purchasers are consistent with proportionate fair-share principles, meaning that residential developments within designated school impact districts pay construction cost proportionate to their impact.

Yet, the state's school impact fee law has not been full effectuated since it was enacted in 2007, despite shifting developmental and population patterns. Kaka'ako, for instance, is rife with extant and proposed high-rise projects that will bring families into the area, increasing demand for public school facilities. Approximately 5,000 new condominium units are scheduled to be built by 2018 in Kaka'ako, with the population of the district expected to double to 30,000 people in the next fifteen years, according to the Honolulu Community Development Authority. We understand that the department is using available housing data–specifically, the number and size of new units–to make projections about needed school

accommodations and considering all possible solutions, including creating mixed use schools encompassing all grades K-12 and utilizing empty space at nearby schools operating below capacity (McKinley High School's maximum capacity is 2,100 students, for example, but enrollment is just over 1,600, leaving room for an additional 400 students). These strategies are not likely to be demographically sustainable for the long-term, however, necessitating the use of alternative financial instruments to subsidize new schools.

School impact fees have failed to be fully implemented, in part, because they are sometimes condemned as a property tax increase. Big Island Mayor Billy Kenoi has refused to collect the fees, calling them discriminatory. In a March 13, 2013 article entitled "School impact fees delayed," the *Hawaii Tribune Herald* reported:

> Kenoi, who opposes the fee, has blocked its collection. He's said large developers already contribute as part of land use reclassifications before the state Land Use Commission, meaning the burden would fall on small lot owners. He has also noted the county was not represented in the working group establishing the districts, and he added the DOE's own lists don't show West Hawaii schools in the top 15 most needed facilities.
>
> "This is just a fundamentally unfair bill," Kenoi told Stephens Media after the meeting. "Why does a person who builds a home here pay a penalty and nobody else does?"

What Kenoi believes to be principled opposition a burdensome financial encumbrance on real property owners is, to the contrary, obstruction of public education progress. According to a study released in 2015 by the Lincoln Institute of Land, Hawai'i has the lowest or next-to-lowest industrial, commercial, and apartment property taxes in the nation, for both urban and rural communities. Similarly, a WalletHub.com analysis revealed, last year, that the islands have the cheapest residential property taxes in the country, yet only 57 percent of state residents live in homes they own.

While some people believe that a low property tax bill makes local housing more affordable, this belief it vitiated by the fact that islanders compete heavily with people from all corners of the world for home ownership. More importantly to HSTA, Hawai'i's public schools are not funded through property taxes, which are constitutionally directed to the counties. Since property taxes are not used to finance local schools, we lack a dedicated funding stream for public education,

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which is instead paid for, primarily, through the state's general fund. This setup was as intentional as it is problematic. Big Five landowners and religious missionaries crafted a segregated school system to perpetuate class inequality and boost plantation profits. As Corey Rosenlee wrote in the Star-Advertiser last April:

> The Big Five wanted poorly educated workers to keep wages low and plantation profits high. Since land was owned by the wealthy few, Hawai'i, unlike its mainland counterparts, doesn't fund education through property taxes. Since property taxes are not used, there is no dedicated source of income for schools, and instead public school funding comes from the general fund and has been perpetually underfunded. Today, Hawaii leads the nation in the percent of students attending private school. The cost of educating a student at Punahou School is about $26,000 per year, compared to $8,000 per year for a regular education student at a public school.

Rectifying the economic disparities evinced and propounded by our schools is a moral imperative. To do so, we must invest in classroom cooling, facilities repair and maintenance, vocational education, arts and cultural learning, lower class sizes, public preschool, and professional pay for teachers–all of which requires increasing education funding. All options for generating revenue must be on the the table, in our view, including the escalation and expansion of school impact fees.

To date, little has been collected for our schools by way of impact fees. That must change. According to the DOE's analysis of the Kalihi to Ala Moana impact fee district, the area's general population is expected to grow by 21,000 residents by the year 2035, while the number of residential units that to be approved within a half mile of rail stations could grow by almost 39,000. Moreover, for the impact fee district under consideration, the DOE projects a student generation rate–the number of expected public school students, on average, per unit within a particular area or development project–of 12 students for every 100 units built. The department's total estimated number of additional students for the Kalihi to Ala Moana district is 10,278 from K-12, a plurality of whom would likely attend schools within the McKinley High School Complex. Financially, department officials conclude that the per-unit Kalihi to Ala Moana impact fee should be $584 for construction and .0016 acres for land, with a per-unit estimate of $8,790 for fees

charged in lieu of land. In total, the "all-cash fee" is valued at $9,374 per new unit, resulting in projected maximum intake amounts of 63.5 acres of land and $22,736,872 in construction contributions. Given the tens of millions of dollars in revenue generated by the assessment of school impact fees, we would ideally like to see impact fees expanded to the entire state. We are also working with lawmakers to study the feasibility of amending state law to include commercial properties in impact fee collections, given the effect of commercial activity on urban and suburban growth.

A quality education is priceless. To move our state toward more equitable public school funding, the Hawaii State Teachers Association asks your committee to **support** this action item.

DEPARTMENT OF THE ARMY
HEADQUARTERS, 25TH INFANTRY DIVISION AND US ARMY HAWAII
SCHOFIELD BARRACKS, HAWAII 96857-6000

REPLY TO
ATTENTION OF

Office of the Commanding General

18 APR 2016

To the Hawaii Department of Education:

The Daniel K. Inouye Institute has approached the leadership at Hale Kula Elementary School and requested that the school be renamed in honor of this American hero. As the Senior Commander of United States Army Hawaii, I am supportive of this change. Our Soldiers and their Families would be proud to attend a school named after this great Soldier and leader.

Hale Kula Elementary School first opened in 1959, the same year that Hawaii became the 50th state. When Hawaii achieved statehood, Daniel K. Inouye was elected as one of Hawaii's two representatives to Congress. In 1962, he was elected to the United States Senate where he served until his death in 2012. At that time, he was the President pro tempore of the Senate.

Senator Inouye was a veteran of World War II, a decorated member of the 442nd Regimental Combat Team, and throughout his political career, he was an advocate for the military and military children. He was instrumental in the creation of the Joint Venture Education Forum (JVEF), a coalition of public school educators, military commands, government, community, and business leaders. He secured millions of dollars in funding to address concerns of military families, and today, JVEF continues to work collaboratively to support our military-impacted schools.

In 2011, the Office of Economic Adjustment performed a facilities assessment of 157 schools located on military bases across the United States. When results were released, Hale Kula Elementary School on Schofield Barracks ranked #9 on the list. Through a collaborative effort between the Department of Education and the US Army Garrison Hawaii, the school received $26.6 million in Congressional funding to address the deficiencies in the assessment. Senator Inouye was instrumental in ensuring that Congress would appropriate the funds, and the transformation of Hale Kula has been remarkable.

We stand committed to our continued partnership with the Hawaii Department of Education in this endeavor and stand ready to provide assistance and support.

Sincerely,

Charles A. Flynn
Major General, U.S. Army
Commanding